



ST. MARY MEDICAL CENTER

June 19, 2017

RECEIVED

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Permit Alteration Notification Letter
CON Permit 16-010, OSF Healthcare St. Mary Medical Center, Galesburg
Expansion and Modernization of Key Clinical Areas

Dear Ms. Avery:

OSF Healthcare St. Mary Medical Center (Medical Center) has determined that it is necessary to alter Permit 16-010. This alteration includes increasing the number of Post Anesthesia Recovery Stations (Phase I recovery stations) from the currently approved 6 stations to the proposed 7 stations. This alteration is necessary to support increasing demand for recovery time in the Phase I recovery stations at the Medical Center. The increase will result in neither an increase in departmental square footage nor total project cost.

Section 1130.750 of 77 Ill Admin Code, Alteration of Post-Permit Projects, states that certain alterations require the permit holder to submit only a notification letter describing the alteration. We believe that this alteration is consistent with notification filing requirements. Further, we understand that this notification letter has no filing fee and will not be heard by the HFSRB.

Overview of the Current Situation

Surgery and bronchoscopy patients are the primary users of the Phase I recovery stations at the Medical Center. The application for Permit 16-010 relied on 2013, 2014, 2015 utilization data. Between 2015 and YTD 2017, the Medical Center's utilization of these two services has resulted in more demand for Phase I recovery capacity. Only after careful analysis of recent changes in the utilization of these services is this alteration being proposed.

Increase in Post Anesthesia Care Unit Minutes

The Phase I recovery stations are primarily used by patients who require general anesthesia. Virtually all inpatient surgery inpatients and bronchoscopy inpatients utilize these recovery stations. Between CY 2015 and Annualized FY 2017, inpatient post acute recovery time increased 10.5 percent or approximately 5.5 percent per year. (See Table 1, below). During this period the utilization of these recovery stations by outpatient surgery and gastroenterology patients remained essentially stable.

Table 1
Post Anesthesia Recovery Time

Inpatient Post Anesthesia Recovery Minutes	CY 2015	CY 2016	CY 2017 Actual	CY 2017 Annualized	Percent Change	Est. Annual Percent Change
	56,620	59,103	26,073	62,575	10.5%	5.5%

Source: OSF Healthcare SMMC Records

Recent and Expected Increases in Utilization for Phase I Recovery Stations

Surgery

The growth in surgery post anesthesia recovery minutes is primarily attributable to two factors. The first is the increase in the total inpatient surgical case mix acuity from 2.01 in CY 2014 to 2.13 YTD CY 2017, or by 6.0 percent. Higher acuity surgical patients tend to stay longer in Phase I recovery stations than lower acuity patients. The second is the recruitment of a needed orthopedic surgeon to the Medical Center's surgical staff. These current trends in patient acuity and the growth of the orthopedic surgeon's practice are projected to continue to increase the demand for Phase I recovery stations.

Bronchoscopy

With the recent addition of three full time pulmonologists to the Medical Center's staff, bronchoscopy volume has increased. This trend will be enhanced by the recent addition of state-of-the-art endobronchial ultrasound equipment that will increase the pulmonologists' scope of service.

Sub-Regionalization of the OSF Healthcare System

OSF Healthcare recently defined sub-regions of care within the System. The West Central Region includes OSF Healthcare St. Mary Medical Center (Galesburg), OSF Healthcare Holy Family Medical Center (Monmouth) and OSF Healthcare Saint Luke Medical Center (Kewanee). OSF Healthcare St. Mary Medical Center has been designated as the referral center for the West Central Region. In this expanded role, the Medical Center is projecting further increases in higher acuity referral patients that will also positively affect the demand for Phase I recovery services.

The additional Phase I recovery station will provide still another benefit to surgery, bronchoscopy, and referral patients to OSF St. Mary Medical Center. The proposed additional station will improve throughput for the department; this is a satisfier for the patients and physicians since it reduces wait times.

There is no State Guideline for Phase I recovery station utilization. The completed project includes surgery suites and 2 procedure rooms. Hence the number of proposed stations is consistent with IDPH Hospital Code.

Proposed Reconfiguration of the Post Anesthesia Recovery Station

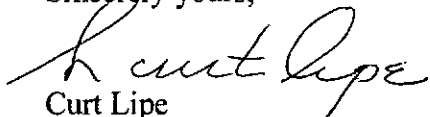
Exhibit 1 is an architectural drawing that compares the configuration of the originally approved Phase I recovery area with 6 stations to the proposed redesigned area with 7 stations. Neither the location nor the square footage of the area will change as the result of the proposed alteration.

The proposed alteration to approved Permit 16-010 will not:

1. Impact on any clinical programs or beds
2. Increase or decrease any square footage
3. Increase the approved project cost
4. Change the amount of borrowed funds, or
5. Otherwise require a CON.

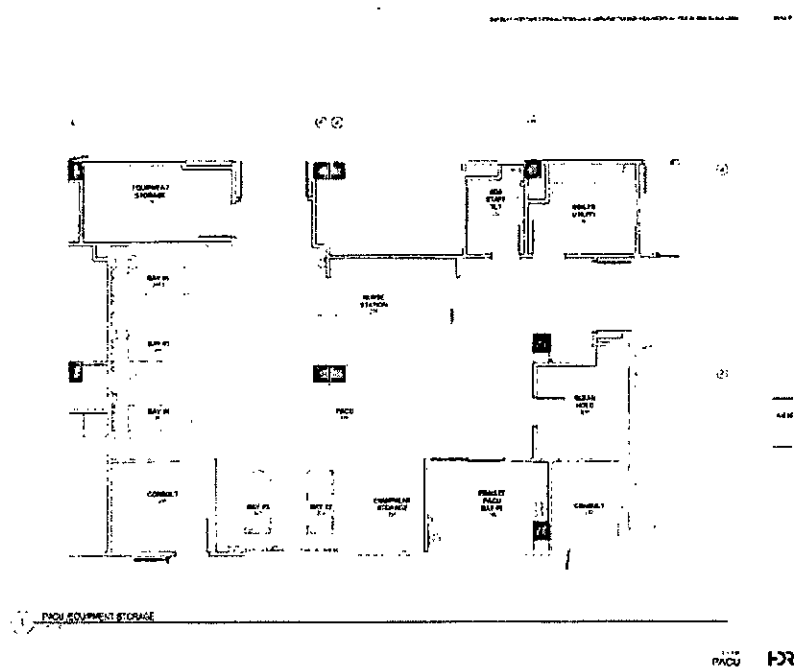
If you have any questions regarding this notification letter, please call me at 309-344-3161 extension 1137 or e-mail me at curt.lipe@osfhealthcare.org.

Sincerely yours,



Curt Lipe
Vice President/Chief Financial Officer

Cc: Mike Constantino, Supervisor of Project Review
Janet Scheuerman, PRISM Healthcare Consulting
Ed Parkhurst, PRISM Healthcare Consulting



Approved PACU with 6 stations

